

OFFICE OF THE SECRETARY OF STATE



**RENEWAL
CERTIFICATE OF REGISTRATION**

WHEREAS, the Renewal Registration of

MOUNTAIN STATES LEGAL FOUNDATION

has been filed in the Office of the Secretary of State as provided by the Oklahoma Solicitation of Charitable Contributions Act and will expire on April 2, 2003.

NOW THEREFORE, I, the undersigned, Secretary of State of the State of Oklahoma, by virtue of the powers vested in me by law, do hereby issue this certificate evidencing such registration.

IN TESTIMONY WHEREOF, I hereunto set my hand and cause to be affixed the Great Seal of the State of Oklahoma.



Filed in the City of Oklahoma City this 1st
day of April, 2002.

Mae Hunter

Secretary of State
By: *Debra C. [Signature]*

ORGANIZATION

CODE 5101
FE FEE \$15.00

APR 8/02 001#41839 Doena
CHAR. ORG ANN \$15.00

FEE: \$15.00

SUBMIT IN DUPLICATE

PRINT CLEARLY

FILED

APR - 1 2002

OKLAHOMA SECRETARY
OF STATE

Registration Statement of Charitable Organization

() Initial Registration ☒ Renewal () Update

Oklahoma Secretary of State, 2300 N. Lincoln Blvd., Room 101, Oklahoma City, OK 73105-4897
Telephone: (405) 521-3911

1a. The legal name of the charitable organization:

Mountain States Legal Foundation

1b. The organization's employer identification number: 84-0736725

2. Any other name the organization may be identified as or known as, and any distinctive names the organization uses for the purposes of public solicitation of contributions:

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OKLAHOMA SECRETARY
OF STATE

3a. The organization is a: ☒ corporation ☐ partnership ☐ other legal entity

3b. When & where was the organization formed to do business?

Month, day, year 4-25-77 State/Country Colorado

3c. Fiscal year ends month/day: December 31

4a. The street address of the charitable organization:

2596 S. Lewis Way Lakewood Jefferson CO 80227
Street City County State Zip Code

4b. The mailing address of the charitable organization, if different:

5. The principal business telephone number (include area code): 303-292-2021

6. The purposes for which the contributions solicited or accepted are to be used:

To engage in nonpartisan legal research, study and analysis
for the benefit of the general public and to engage in
(No donation or any portion thereof shall inure to the private benefit of any voluntary solicitor.)
public interest.

7. The name and street address of the person who will have custody of the contributions:

William Perry Pendley
2596 S. Lewis Way
Lakewood, CO 80227

8. The name and street address of the person(s) responsible for the distribution of funds collected:

William Perry Pendley
2596 S. Lewis Way
Lakewood, CO 80227

9. The period of time during which such solicitation is to be conducted:

Throughout the year, direct mail solicitations

10. A description of the specific method or methods of solicitation:

☐ personal contact ☒ direct mail ☐ telephone
☐ television ☐ radio ☐ other _____

11. Solicitation will be conducted by: ☐ voluntary, unpaid solicitors ☒ paid solicitors ☐ both
-

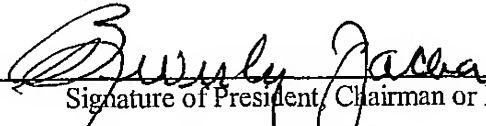
12. IF your organization contracts with or otherwise engages the services of any outside fund raising professional (such as a "professional fund raiser," "paid solicitor," "fund raising counsel," or "commercial co-venturer") the information listed on the page titled "Form 101 Attachment: Professional Fund Raiser Information" of this form must be submitted for each professional with this application.

REQUIRED ATTACHMENTS

13. A copy of Internal Revenue Form 990 as filed by the charitable organization for the most recently completed fiscal year; or for the initial registration of a newly formed organization, a copy of a letter from the Internal Revenue Service, or other evidence, showing the tax exempt status of the charitable organization.
14. A complete list of the names, street addresses, and title or position, of each officer, including each principal salaried executive staff officer, director, and trustee of the charitable organization.

EXECUTION AND ACKNOWLEDGMENT

I, the undersigned, being duly authorized to sign on behalf of the charitable organization named herein, have caused this application to be executed this 21st day of MARCH, 2002; and that the contents of the application and each supporting document are true, to the best of my knowledge, and complete.



Signature of President, Chairman or Principal Officer
BEVERLY JACKA
EXEC. V.P. of Administration

Type or Print Name

Title

Charitable Organization Financial Statement

NOTE: Every charitable organization which has received contributions during the previous calendar year SHALL file a financial statement WITH its initial registration, and WITH each annual renewal, thereafter, which contains the most recent information as follows. This form must also be signed and acknowledged.

1. The legal name of the charitable organization:

Mountain States Legal Foundation

2. The street address of the charitable organization:

2596 S. Lewis Way	Lakewood	Jefferson	CO	80227
Street	City	County	State	Zip Code

3. The telephone number of the charitable organization: 303-292-2021

4. This report is for the calendar or fiscal year ending: 12-31-00

- 4a. The gross amount of the contributions collected: \$3,323,559

- 4b. The gross amount of the contributions pledged: -0-

- 5a. The gross amount given to the charitable purpose represented: \$3,323,559

- 5b. The gross amount to be given to the charitable purpose represented: -0-

- 6a. The aggregate amount paid for the expenses of such solicitation: \$526,405

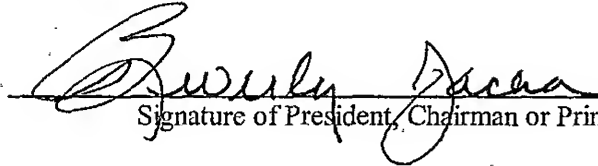
- 6b. The aggregate amount to be paid for the expenses of such solicitation: -0-

- 7a. The aggregate amount paid to professional fund raisers and solicitors: \$354,122

- 7b. The aggregate amount to be paid to professional fund raisers and solicitors: -0-

EXECUTION & ACKNOWLEDGMENT

I, the undersigned, being duly authorized to sign on behalf of the above named charitable organization, have caused this financial statement to be executed this 27th day of MARCH, 2002; and that the contents of this statement and any supporting document(s) are true and, to the best of my knowledge, complete.



Signature of President, Chairman or Principal Officer

BEVERLY JACKA

Print or Type Name



MOUNTAIN
STATES
LEGAL
FOUNDATION

2596 South Lewis Way
Lakewood, Colorado 80227
303-292-2021 • FAX 303-292-1980
www.mountainstateslegal.org

Officers:

William Perry Pendley
President & Chief Legal Officer
2596 S. Lewis Way
Lakewood, CO 80227

Beverly Jacka
Executive V. P. of Administration
2596 S. Lewis Way
Lakewood, CO 80227



MOUNTAIN
STATES
LEGAL
FOUNDATION

707 Seventeenth Street, Suite 3030
Denver, Colorado 80202-3408
303-292-2021 • FAX 303-292-1980
www.mountainstateslegal.org

EIN: 84-0736725
2000 FORM 990
Part V

BOARD OF DIRECTORS

Mr. Bill B. Armstrong, Jr.
President
Armstrong Construction Company
P.O. Box 1873
Roswell, NM 88202
(505) 622-1080; FAX (505) 624-1795;

Mr. Steven K. Bosley
825 Pinehurst Court
Louisville, CO 80027
(303) 666-7497

Mr. Peter A. Botting
President and Chief Executive Officer
W.A. Botting Company
P.O. Box 1200
Woodinville, WA 98072
(425) 483-7500; FAX (425) 483-7610; e-mail pete@wabotting.com

Mr. Stephen M. Brophy
1715 West Northern, #104
Phoenix, AZ 85021
(602) 870-4800; (602) 870-9636; email: sbrophy@pagelandco.com

Mr. George G. Byers
Director of Government Affairs
Rio Algom Mining Corporation
6305 Waterford Boulevard
Oklahoma City, OK 73118
(405) 810-7773; FAX (405) 848-1208; e-mail: gbyers@ramc.net

Ms. Cynthia M. Chandley
Senior Counsel/Director, Land and Water Resources
Phelps Dodge Corporation
2600 North Central Avenue
Phoenix, AZ 85004-3014
(602) 234-8241; FAX (602) 234-8067; e-mail: cchandley@phelpsdodge.com

Board of Directors

Page Two

Mr. Scott A. Crozier
Senior Vice President and General Counsel
Petsmart
19601 North 27th Avenue
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(623) 587-2038; FAX (623) 580-6513; Mobile (602) 616-5116; Home: (602) 997-7455
e-mail: scrozier@ssg.petsmart.com

Mr. Frank D. Gorham, III
Sandstone Properties, LLC
805 Salamanca NW
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(505) 341-4883; FAX (505) 341-4899; e-mail: frank.gorham@prodigy.net

Mr. Ronald Graves
Vice President, Secretary and General Counsel
J.R. Simplot Company
P.O. Box 27
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Mr. Thomas M. Hauptman
President
KGH Operating Company
P.O. Box 2235
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Dallas P. Horton, DVM, MS
Horton Feedlot and Research Center
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(970) 454-3000; FAX (970) 454-2432; e-mail: hortonres@aol.com

Mr. Jerry D. Jordan
President
Jordan Energy, Inc.
795 Old Woods Road
Columbus, OH 43235-1248
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Board of Directors

Page Three

Mr. John F. Kane
Kane Cattle Company
P.O. Box 729 (74005)
110-1/2 East Frank Phillips
Bartlesville, OK 74003
(918) 336-4900; FAX (918) 336-4902; e-mail: jfkane@ionet.net

Ms. Karen D. Kennedy
700 West 6th Street
Gillette, WY 82716
(307) 686-1081; FAX (307) 686-0560; e-mail: kennedywipa@vcn.com

Mr. David L. McClure
President
Montana Farm Bureau
Route 2, Box 2224
Lewistown, MT 59457
(406) 538-9874; FAX (406) 538-9874 (call first); e-mail: dmclure@lewistown.net

The Honorable James McClure
Givens, Pursley, Webb and Huntley
277 North 6th Street
Boise, ID 83702
(208) 342-6571; FAX (208) 388-1201; (208) 343-9492 (home);
e-mail: jamlou@cyberhighway.net

Mr. Roger Bill Mitchell
President
Colorado Farm Bureau
3914 North Road 5E
Monte Vista, CO 81144
(719) 852-5909; FAX (719) 852-5061; (719) 852-2947 (home)

Mr. Mark Murphy
President
Strata Production Company
P.O. Box 1030 (88202-1030)
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Board of Directors

Page Four

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President and Chief Executive Officer
Questar Market Resources Group
P.O. Box 45601
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Mr. David B. Rovig
Greystar Resources Ltd.
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Mr. Jerry Sheffels
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Mr. Conley P. Smith
Independent Oil Producer
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Mr. Don Thorson
P.O. Box 338
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(307) 746-4500

Mr. Don Thorson
P.O. Box 159
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(520) 684-2655

Mr. Diemer True
Partner
True Companies
P.O. Drawer 2360
Casper, WY 82602
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Board of Directors

Page Five

Mr. Paul T. von Gontard
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Mr. Lew O. Ward
Chairman and Chief Executive Officer
Ward Petroleum Corporation
P.O. Box 1187 (73702)
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Enid, OK 73703
(580) 234-3229; FAX (580) 242-6850; e-mail: lew@wardpetroleum.com

Mr. R. Bruce Whiting
President
Kaibab Industries
4602 East Thomas Road
Phoenix, AZ 85018
(602) 840-5555; FAX (602) 952-6972; e-mail: brucew@kaibab.com

**CHARITABLE ORGANIZATION REGISTRATION
ATTACHMENT
Professional Fund Raiser Information**

(Complete one (1) form for each professional fund raiser. Form may be duplicated.)

- a. Legal name of outside fund raising professional:

Bruce Eberle & Associates. Inc.

- b. Street & P.O. box address 1420 Spring Hill Rd., Ste. 490, McLean VA

- c. Telephone number (including area code): 703-821-1550

- d. Location of offices used by them on behalf of your organization

1420 Spring Hill Rd., Ste. 490, McLean, VA 22102

- e. Simple statement of services provided
Direct mail solicitations

- f. Describe the basis of payment and nature of the arrangement. A copy of the contract or other agreement **MUST** be attached. "*See contract*" is unacceptable for description.

Payment is made to Mountain States Legal Foudation net of all mailing and administration expenses incurred on behalf of Mountain States Legal Foundation. Income consists of proceeds from donors received through the direct mail program.

- g. Does the professional solicit on your behalf? ☒ yes ☐ no

- h. Does the professional have custody or control of donations at any time? ☒ yes ☐ no

Funds are deposited in an escrow account and paid out of the escrow account to cover Eberle expenses and donation proceeds

- i. Specific amount or percentage of compensation paid or to be paid to the professional fund raiser:
\$80 per 1,000 fundraising packages processed and mailed

- j. Property of any kind or value paid or to be paid to the professional fund raiser:

NO property payments

- k. Percentage value of compensation paid to the professional fund raiser as compared to the: 61%

(1) Total contributions received: 1,375,416

(2) Net amount of total contributions received: 538,515

DIRECT MAIL FUND RAISING COUNSEL AGREEMENT

AGREEMENT made this 24th day of June, 1999, between Bruce W. Eberle & Associates, Inc., 1420 Spring Hill Road, Suite 490, McLean, Virginia 22102, hereinafter called Eberle, and Mountain States Legal Foundation, 707 17th Street, Suite 3030, Denver, CO 80202, hereinafter called the Client.

WHEREAS, the Client is desirous of engaging the services of Eberle, it is agreed as follows:

1. **Appointment and Authorization.** Eberle is hereby retained and appointed as the Client's exclusive fund raising counsel for its direct mail fund raising program and list rentals, subject to the terms and conditions of this Agreement. The Client, however, retains the right and authority to continue to engage in in-house direct mail fund raising, including fund raising to those donors on its Eberle generated donor list. The retention of the services of outside contractors to perform logistical support with regard to those in-house mailings shall not constitute a breach of the Client's acknowledgement that Eberle is the Client's exclusive out-of-house direct mail fund raiser.
2. **Services.** Eberle shall provide the following services to the extent necessary to meet the Client's needs:
 - a. *Issues and Copy.* Counsel and advise the Client on issues and copy the Client wishes to use in its direct mail fund raising program. At the direction of the Client, Eberle will prepare draft copy for the Client's review and approval. The Client retains the authority to review, and to approve or disapprove the contents of any mailing undertaken on behalf of the Client to the Eberle generated Client donor list or to any rental list used for the Client.
 - b. *Mailings.* Counsel and advise the client on timing of mailings and list usage as well as promotion.
 - c. *Vendors.* Eberle will counsel and advise the Client on negotiating, arranging, and entering into agreements. At the direction of the Client, Eberle will negotiate, arrange and enter into agreements on behalf of the Client for any materials and services to be used in the direct mail fund raising program.
 - d. *List Rental Promotion.* At the direction of the Client, Eberle will promote the rental of all Client owned mailing lists.
3. **Compensation.**
 - a. *Creative/Coordination Fee.* Eberle shall receive compensation in the sum of eighty dollars (\$80) per one thousand (1000) fund raising packages processed by the mailing house for mailing under the

terms of this Agreement. A package shall include solicitation letter and other enclosures.

- b. *CPI Adjustment.* Eberle compensation as enumerated in paragraph 3.a. shall be subject to an adjustment at the beginning of each calendar year in an amount equal to the increase in the United States nationwide Consumer Price Index prepared by the United States Bureau of Labor Statistics, but shall in no event be less than the amounts set forth in paragraph 3.a.
- c. *List Rental Approval and Commissions.* Eberle or its agent shall receive a commission of 20% of the standard list rental charge and/or exchanges made directly to organizations and a 40% commission on list rentals placed to other brokers or agencies, out of which Eberle will pay the other brokers' fees. It is further understood and agreed that Omega List Company may at times serve as Agent for Eberle. The Client retains authority to approve or disapprove the rental of its Eberle generated donor list. If the Client approves the rental of its Eberle generated donor list, it shall retain the right to review, and approve or disapprove the contents of any mailing to its Eberle generated donor list.

4. Billing and Payment.

- a. *Billings.* Eberle shall render billings from time to time as necessary on its standard forms and they shall be paid no later than on the due date stated therein.
- b. *List Rental Application.* If during the term of this Agreement invoices due Eberle, Omega List Company and/or the ECG Data Center are at any time sixty (60) days or more past due, Eberle shall have the unrestricted right to apply list rental income received to payment of their invoice(s) and to rent the list created under this Agreement and apply the list revenue income from such rentals to payment of their invoice(s) subject to the provisions of 2.a.
- c. *Advances.* It is understood and agreed that any funds advanced by Eberle or third parties for postage and other direct mail fund raising services or materials shall be reimbursed before any other returns are disbursed to others.

5. Confidentiality and Registrations.

- a. All financial information relating to these accounts, and this contract, shall be held in confidence by Eberle. Further, the Client shall hold in confidence all financial matters in connection with this contract, specifically including Eberle's compensation. It is agreed, however, that financial information may be provided by the Client and/or Eberle to governmental agencies upon receipt of a formal request from a governmental entity. The Client shall immediately notify and provide Eberle a copy of any such formal request and the information provided by the Client. Eberle shall likewise advise the Client of such requests and of Eberle's response thereto.

- b. A number of jurisdictions request some form of registration by organizations such as the Client. It is understood and agreed that it is the responsibility of the Client to register in such jurisdictions.
6. **Receipt and Disbursement of Funds.** All funds generated through the direct mail fund raising program under this Agreement shall be received and disbursed directly by the Client or its designated agent. Eberle shall not serve as agent for this purpose.
7. **Duration and Termination.**
- a. *Effective Date.* This Agreement shall become effective on the _____ day of June, 1999, and shall continue in force until terminated as provided herein.
- b. *Termination.* Either party may terminate this Agreement by giving the other party written notice of termination at least ninety (90) days prior to the effective date of termination. Upon receipt of notice of termination, Eberle shall not commence any new work, but it shall complete its consultation work (as described herein) and place all list rentals previously approved by the Client. All other rights and duties of the parties shall continue until the date of termination. In the event the Client or Eberle desires to terminate all work commenced before the receipt of notice of termination, it may be so agreed upon the parties' mutual consent. Compensation to be received by Eberle for partially completed work shall be mutually determined.
- c. *Billings.* Upon termination of this Agreement, Eberle shall submit its billing for all amounts not previously billed and due Eberle at that time. Eberle shall not be entitled to payment for any new work commenced after the date the written notice of termination of this Agreement was received by Eberle. Eberle shall, however, be entitled to payment for work commenced and approved prior to receipt of such notice, or, with express written consent prior to the effective date of termination.
8. **Disposition of Lists, Property and Materials.**
- a. *List Security.* The list generated and developed during the term of this Agreement shall be kept in a secure manner by Eberle.
- b. *List Usage.* Any rentals, exchanges or other use of any lists created under this Agreement shall be to the sole benefit of the Client during the course of this Agreement, except as provided in paragraph 4.b. of this Agreement. Upon termination, Eberle shall be entitled to unlimited use of said list(s) without any payment to the Client. The Client, its officers, and/or representatives shall not during the term of this Agreement, or at any time subsequent thereto, rent, exchange, donate, sell, or otherwise provide any list(s) created under this Agreement to any third party for any reason whatsoever without the prior written approval of Eberle. After the expiration of the terms of this agreement, and upon payment in full of all outstanding invoices,

the Client shall retain the authority to approve or disapprove the rental of its Eberle generated donor list.

- c. *Final Payment.* Upon termination of this Agreement, all lists produced and used under this Agreement shall be considered the exclusive property of Eberle until final payment of all invoices has been made by the Client. A copy of the list shall be provided to the Client upon repayment of all postage advances and upon the final payment of all invoices from Eberle and direct mail vendors.
- d. *Property and Materials.* It is understood and agreed that upon termination of this Agreement, any property and material provided under this Agreement by Eberle shall be the sole and exclusive property of Eberle. The Client shall have no right to use this property and material. Nor shall the Client use any direct mail package, or any portion thereof, created under this Agreement subsequent to its termination unless agreed to by Eberle.

9. Conversion of List Exchange to Rental.

- a. *List Owners Option.* It is understood and agreed that whenever the Client receives donor names and addresses to mail on an exchange basis, the organization which owns the donor names and addresses or its agent has the right to convert the exchange to a list rental at fifty percent (50%) of the current list rental price.
- b. *Eberle Option.* If sums are due and owing Eberle, or the direct mail vendors on the date notice of termination is given, Eberle or its agent shall have the right to convert any donor names owed to the Client on an exchange basis to list rentals at fifty percent (50%) or less of the current list rental rates subject to the provisions of paragraph 2.a. Sums generated from such conversions, less commissions, shall be applied to the bills of Eberle and the direct mail vendors.

10. Work In Progress. Once mailing lists have been scheduled and/or purchase orders issued for a mailing(s), the Client may not cancel or suspend such mailing(s) except by mutual consent of the parties.

11. Modification. This writing contains the entire Agreement of the parties. No representations were made or relied upon by either party, other than those that are expressly set forth. No agent, employee, or other representative of either party is empowered to alter any of the terms hereof, unless done in writing and signed by an executive officer of the respective parties.

12. Controlling Law. The validity, interpretation, and performance of this Agreement shall be controlled by and construed under the laws of the State of Virginia. The Client further agrees that any and all legal proceedings concerning this Agreement and its interpretation shall be before a court in Northern Virginia and that such court shall have jurisdiction over the parties hereto.


13. Waiver. The failure of either party to this Agreement to object or to take affirmative action with respect to any conduct by the other which is in

violation of the terms of this Agreement shall not be construed as a waiver thereof, or of any future breach or subsequent wrongful conduct.


14. **Claims.** The Client specifically agrees to hold Eberle, Omega List Company, their officers, directors, and employees harmless from any and all claims of third parties, of any nature whatsoever, arising out of materials, including copy, or direct mail fund raising projects, letters and/or packages reviewed and approved by the Client. In the event any payment due Eberle and/or direct mail fund raising creditors is not made in accord with the terms of this Agreement and the obligation(s) is referred to any attorney for collection, the Client agrees to pay all costs of collection, including an attorney's fee of twenty percent of the sum due.
15. **Certification.** The Client does hereby certify to Eberle that there is no agreement with other fund raising counsel or with a direct mail fund raiser or list broker currently in existence as of the effective date of this Agreement which conflicts with the terms hereof. The Client further agrees not to enter into any subsequent agreement which conflicts with the terms of this Agreement.
16. **Notices.** All notices pertaining to this Agreement shall be in writing and shall be transmitted either by personal hand delivery, through the facilities of the United States Postal Service or by facsimile transmission. The addresses set forth above for the respective parties shall be the places where notices shall be sent, unless written notice of a change of address is given.

The undersigned do hereby personally warrant and affirm that they are authorized to execute and bind the parties hereto.


Attest:


Sandra Redhage, Corp. Secretary

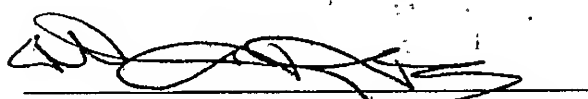
BRUCE W. EBERLE & ASSOCIATES, INC. (Eberle)


Bruce W. Eberle, President

Attest:


Corporate Secretary

Mountain States Legal Foundation (Client)


William Perry Pendley, President

Return of Organization Exempt From Income Tax

OMB No. 1545-0047

2000

Under section 501(c) of the Internal Revenue Code (except black lung benefit trust or private foundation), section 527 or section 4947(a)(1) nonexempt charitable trust

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2000 calendar year, or tax year period beginning , 2000, and ending , 20

B Check if applicable:
☐ Change of address
☐ Change of name
☐ Initial return
☐ Final return
☐ Amended return

Please use IRS label or print or type. See Specific Instructions.

C MOUNTAIN STATES LEGAL FOUNDATION
707 SEVENTEENTH STREET #3030
DENVER, CO 80202-3408

D Employer identification number
84-0736725

E Telephone number

F Check ☐ if application pending

G Organization type (check only one) ☒ 501(c) (3) (insert no.) ☐ 527 OR ☐ 4947(a)(1)

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

J Accounting method: ☐ Cash ☒ Accrual ☐ Other (specify) ▶

K Check here ☐ if the organization's gross receipts are normally not more than \$25,000. The organization need not file a return with the IRS; but if the organization received a Form 990 Package in the mail, it should file a return without financial data. Some states require a complete return.

Note: H and I are not applicable to section 527 orgs.
H(a) Is this a group return filed for affiliates? ☐ Yes ☒ No
H(b) If "Yes," enter number of affiliates ▶
H(c) Are all affiliates included? (if "No," attach a list. See instructions) ☐ Yes ☐ No
H(d) Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No
I Enter 4-digit group exemption no. (GEN) ▶
L Check this box if the organization is not required to attach Schedule B (Form 990 or 990-EZ) ☐

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See Specific Instructions on page 16.)

REVENUE	
1 Contributions, gifts, grants, and similar amounts received:	
a Direct public support	1a 3,323,559
b Indirect public support	1b
c Government contributions (grants)	1c
d Total (add lines 1a through 1c) (cash \$ 3,323,559 noncash \$)	1d 3,323,559
2 Program service revenue including government fees and contracts (from Part VII, line 93)	2
3 Membership dues and assessments	3
4 Interest on savings and temporary cash investments	4 42,191
5 Dividends and interest from securities	5
6a Gross rents	6a
b Less: rental expenses	6b
c Net rental income or (loss) (subtract line 6b from line 6a)	6c
7 Other investment income (describe ▶)	7
8a Gross amount from sales of assets other than inventory	(A) Securities 8a 4,422
b Less: cost or other basis and sales expenses	8b 16,374
c Gain or (loss) (attach schedule) STATEMENT. 1	8c -11,952
d Net gain or (loss) (combine line 8c, columns (A) and (B))	8d -11,952
9 Special events and activities (attach schedule)	
a Gross revenue (not including \$ of contributions reported on line 1a)	9a
b Less: direct expenses other than fundraising expenses	9b
c Net income or (loss) from special events (subtract line 9b from line 9a)	9c
10a Gross sales of inventory, less returns and allowances	10a 13,001
b Less: cost of goods sold	10b 9,133
c Gross profit or (loss) from sales of inventory (attach schedule) (subtract line 10b from line 10a) SEE .STM. 2.	10c 3,868
11 Other revenue (from Part VII, line 103)	11 243
12 Total revenue (add lines 1d, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11)	12 3,357,909
13 Program services (from line 44, column (B))	13 1,650,930
14 Management and general (from line 44, column (C))	14 378,024
15 Fundraising (from line 44, column (D))	15 526,405
16 Payments to affiliates (attach schedule)	16
17 Total expenses (add lines 16 and 44, column (A))	17 2,555,359
18 Excess or (deficit) for the year (subtract line 17 from line 12)	18 802,550
19 Net assets or fund balances at beginning of year (from line 73, column (A))	19 666,444
20 Other changes in net assets or fund balances (attach explanation) SEE .STATEMENT. 3.	20 493,982
21 Net assets or fund balances at end of year (combine lines 18, 19, and 20)	21 1,962,976

EXPENSES

NET ASSETS

Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others. (See Specific Instructions on page 20.)

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.		(A) Total	(B) Program services	(C) Management and general	(D) Fundraising	
22	Grants and allocations (att. sch.) (cash \$ _____ non cash \$ _____)	22				
23	Specific assistance to individuals (att. sch.)	23				
24	Benefits paid to or for members (att. sch.)	24				
25	Compensation of officers, directors, etc.	25	255,000	191,250	25,500	
26	Other salaries and wages	26	387,548	290,661	38,755	
27	Pension plan contributions	27	23,413	17,560	2,341	
28	Other employee benefits	28	69,490	52,118	6,949	
29	Payroll taxes	29	44,724	33,543	4,472	
30	Professional fundraising fees	30	1,406,796	789,505	263,169	
31	Accounting fees	31				
32	Legal fees	32				
33	Supplies	33				
34	Telephone	34	11,468	8,601	1,147	
35	Postage and shipping	35	16,130	12,098	1,613	
36	Occupancy	36	73,064	54,798	7,306	
37	Equipment rental and maintenance	37	5,817	4,363	582	
38	Printing and publications	38	24,708	18,531	2,471	
39	Travel	39	34,884	26,163	3,488	
40	Conferences, conventions, and meetings	40				
41	Interest	41				
42	Depreciation, depletion, etc. (attach schedule)	42	11,801	8,851	1,180	
43	Other expenses (itemize): a MEETINGS	43a	29,190	21,893	2,919	
b	OFFICE EXPENSE	43b	102,222	76,667	10,222	
c	PROFESSIONAL SERVICE	43c	59,104	44,328	5,910	
d		43d				
e		43e				
44	Total functional expenses (add lines 22 thru 43) Organizations completing columns (B)-(D), carry these totals to lines 13-15.	44	2,555,359	1,650,930	378,024	526,405

Reporting of Joint Costs. Did you report in column (B) (Program services) any joint costs from a combined educational campaign and fundraising solicitation? ☐ Yes ☒ No

If "Yes," enter (i) the aggregate amount of these joint costs \$ _____; (ii) the amount allocated to Program services \$ _____; (iii) the amount allocated to Management and general \$ _____; and (iv) the amount allocated to Fundraising \$ _____.

Part III Statement of Program Service Accomplishments (See Specific Instructions on page 23.)What is the organization's primary exempt purpose? **PUBLIC INTEREST LAW FIRM**

All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)

Program Service Expenses
(Required for 501(c)(3) and (4) orgs. and 4947(a)(1) trusts; but optional for others.)

a	LEGAL ACTIVITIES-PUBLIC INTEREST LAW FIRM. SEE SCHEDULE 1	(Grants and allocations \$ 0)	1,650,930
b		(Grants and allocations \$)	
c		(Grants and allocations \$)	
d		(Grants and allocations \$)	
e	Other program services (attach schedule)	(Grants and allocations \$)	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)		1,650,930

Part IV Balance Sheets (See Specific Instructions on page 23.)**Note:** Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
ASSETS	45 Cash - non-interest-bearing	26,672	45	68,979
	46 Savings and temporary cash investments	499,728	46	972,246
	47a Accounts receivable	5,762		
	b Less: allowance for doubtful accounts			
	47b		47c	5,762
	48a Pledges receivable	141,925		
	b Less: allowance for doubtful accounts			
	48b		48c	141,925
	49 Grants receivable		49	
	50 Receivables from officers, directors, trustees, and key employees (attach sch)		50	
	51a Other notes and loans receivable (attach schedule)			
	b Less: allowance for doubtful accounts			
	51b		51c	
	52 Inventories for sale or use	9,133	52	
	53 Prepaid expenses and deferred charges	9,388	53	10,865
54 Investments - securities (attach schedule) .STATEMENT 4..... <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	13,096	54	173,893	
55a Investments - land, buildings, and equipment: basis				
b Less: accumulated depreciation (attach schedule)				
55b		55c		
56 Investments - other (attach schedule)		56		
57a Land, buildings, and equipment: basis	275,832			
b Less: accumulated depreciation (attach schedule) ..STMT. 5.	190,043			
57b		57c	85,789	
58 Other assets (describe <input checked="" type="checkbox"/> SEE STATEMENT 6)		58	554,462	
59 Total assets (add lines 45 through 58) (must equal line 74)	721,169	59	2,013,921	
LIABILITIES	60 Accounts payable and accrued expenses	54,725	60	15,280
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees (attach schedule)		63	
	64a Tax-exempt bond liabilities (attach schedule)		64a	
	b Mortgages and other notes payable (attach schedule)		64b	
	65 Other liabilities (describe <input checked="" type="checkbox"/> SEE STATEMENT 7)		65	35,665
66 Total liabilities (add lines 60 through 65)	54,725	66	50,945	
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	666,444	67	1,588,807
	68 Temporarily restricted		68	
	69 Permanently restricted		69	374,169
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances (add lines 67 through 69 OR lines 70 through 72; column (A) must equal line 19 and column (B) must equal line 21)	666,444	73	1,962,976
	74 Total liabilities and net assets/fund balances (add lines 66 and 73)	721,169	74	2,013,921

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

Part IV-A Reconciliation of Revenue per Audited Financial Statements with Revenue per Return (See Specific Instructions, page 25.)

a	Total revenue, gains, and other support per audited financial statements	a	3,366,095
b	Amounts included on line a but not on line 12, Form 990:		
(1)	Net unrealized gains on investments		8,186
(2)	Donated services and use of facilities		
(3)	Recoveries of prior year grants		
(4)	Other (specify):		
	Add amounts on lines (1) through (4)	b	8,186
c	Line a minus line b	c	3,357,909
d	Amounts included on line 12, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify):		
	Add amounts on lines (1) and (2)	d	
e	Total revenue per line 12, Form 990 (line c plus line d)	e	3,357,909

Part IV-B Reconciliation of Expenses per Audited Financial Statements with Expenses per Return

a	Total expenses and losses per audited financial statements	a	2,555,359
b	Amounts included on line a but not on line 17, Form 990:		
(1)	Donated services and use of facilities		
(2)	Prior year adjustments reported on line 20, Form 990		
(3)	Losses reported on line 20, Form 990		
(4)	Other (specify):		
	Add amounts on lines (1) through (4)	b	
c	Line a minus line b	c	2,555,359
d	Amounts included on line 17, Form 990 but not on line a:		
(1)	Investment expenses not included on line 6b, Form 990		
(2)	Other (specify):		
	Add amounts on lines (1) and (2)	d	
e	Total expenses per line 17, Form 990 (line c plus line d)	e	2,555,359

Part V List of Officers, Directors, Trustees, and Key Employees (List each one even if not compensated; see Specific Instructions on page 25.)

(A) Name and address	(B) Title and average hours per week devoted to position	(C) Compensation (If not paid, enter -0-)	(D) Contributions to employee benefit plans & deferred compensation	(E) Expense account and other allowances
DAVID ROVIG 707 SEVENTEENTH STREET #3030 DENVER, CO 80202	CHAIRMAN 20	0	0	0
WILLIAM PERRY PENDLEY 707 SEVENTEENTH STREET #3030 DENVER, CO 80202	PRESIDENT 50	170,000	0	630
BEVERLY JACKA 707 SEVENTEENTH STREET #3030 DENVER, CO 80202	VP 50	85,000	6,073	630
JOHN KANE 707 SEVENTEENTH STREET #3030 DENVER, CO 80202	TREASURER 20	0	0	0
SEE ATTACHED LISTING	NONE	0	0	0

75 Did any officer, director, trustee, or key employee receive aggregate compensation of more than \$100,000 from your organization and all related organizations, of which more than \$10,000 was provided by the related organizations? ☐ Yes ☒ No
If "Yes," attach schedule - see Specific Instructions on page 26.

Part VI Other Information (See Specific Instructions on page 26.)

	N/A	Yes	No
76 Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	76		X
77 Were any changes made in the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes.	77		X
78a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	78a		X
b If "Yes," has it filed a tax return on Form 990-T for this year?	78b	N/A	
79 Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," attach a statement	79		X
80a Is the organization related (other than by association with a statewide or nationwide organization) through common membership, governing bodies, trustees, officers, etc., to any other exempt or nonexempt organization?	80a		X
b If "Yes," enter the name of the organization N/A and check whether it is <input type="checkbox"/> exempt OR <input type="checkbox"/> nonexempt.			
81a Enter the amount of political expenditures, direct or indirect, as described in the instructions for line 81	81a	0	
b Did the organization file Form 1120-POL for this year?	81b		X
82a Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a		X
b If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions for reporting in Part III.)	82b	N/A	
83a Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X	
b Did the organization comply with the disclosure requirements relating to quid pro quo contributions?	83b	X	
84a Did the organization solicit any contributions or gifts that were not tax deductible?	84a		X
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	84b	N/A	
85 501(c)(4), (5), or (6) organizations. a Were substantially all dues nondeductible by members?	85a	N/A	
b Did the organization make only in-house lobbying expenditures of \$2,000 or less? If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	N/A	
c Dues, assessments, and similar amounts from members	85c	N/A	
d Section 162(e) lobbying and political expenditures	85d	N/A	
e Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices	85e	N/A	
f Taxable amount of lobbying and political expenditures (line 85d less 85e)	85f	N/A	
g Does the organization elect to pay the section 6033(e) tax on the amount in 85f?	85g	N/A	
h If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount in 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year?	85h	N/A	
86 501(c)(7) organizations. Enter:			
a Initiation fees and capital contributions included on line 12	86a	N/A	
b Gross receipts, included on line 12, for public use of club facilities	86b	N/A	
87 501(c)(12) organizations. Enter:			
a Gross income from members or shareholders	87a	N/A	
b Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	87b	N/A	
88 At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 30.7701-3? If "Yes," complete Part IX	88		X
89a 501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 0 ; section 4912 0 ; section 4955 0			
b 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction	89b		X
c Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958.		0	
d Enter: Amount of tax in 89c, above, reimbursed by the organization		0	
90a List the states with which a copy of this return is filed N/A			
b Number of employees employed in the pay period that includes March 12, 2000 (See instructions.)	90b	0	
91 The books are in care of THE FOUNDATION Telephone no. 80202-3408 Located at 707 SEVENTEENTH STREET DENVER, CO ZIP code			
92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041 - Check here and enter the amount of tax-exempt interest received or accrued during the tax year N/A	92		

SCHEDULE A
(Form 990 or 990-EZ)

Organization Exempt Under Section 501(c)(3)

(Except Private Foundation) and Section 501(e), 501(f), 501(k),
501(n), or Section 4947(a)(1) Nonexempt Charitable Trust

OMB No. 1545-0047

2000

Supplementary Information - (See separate instructions.)

Department of the Treasury
Internal Revenue Service

► **Must be completed by the above organizations and attached to their Form 990 or 990-EZ.**

Name of the organization

Employer identification number

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Part I Compensation of the Five Highest Paid Employees Other Than Officers, Directors, and Trustees
(See page 1 of the instructions. List each one. If there are none, enter "None.")

(a) Name and address of each employee paid more than \$50,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
JAMES S. DETAMORE 707 SEVENTEENTH STREET	STAFF ATTORNEY 40	52,292	3,736	630
Total number of other employees paid over \$50,000 ►		0		

Part II Compensation of the Five Highest Paid Independent Contractors for Professional Services
(See page 1 of the instructions. List each one (whether individuals or firms.) If there are none, enter "None.")

(a) Name and address of each independent contractor paid more than \$50,000	(b) Type of service	(c) Compensation
EBERLE AND ASSOCIATES 1420 SPRING HILL ROAD SUITE 490 MCLEAN, VA	FUNDRAISING	187,726
Total number of others receiving over \$50,000 for professional services ►		0

Part III Statements About Activities

	Yes	No
1 During the year, has the organization attempted to influence national, state, or local legislation, including any attempt to influence public opinion on a legislative matter or referendum? If "Yes," enter the total expenses paid or incurred in connection with the lobbying activities. ▶ \$ <u>N/A</u> Organizations that made an election under section 501(h) by filing Form 5768 must complete Part VI-A. Other organizations checking "Yes," must complete Part VI-B AND attach a statement giving a detailed description of the lobbying activities.	1	X
2 During the year, has the organization, either directly or indirectly, engaged in any of the following acts with any of its trustees, directors, officers, creators, key employees, or members of their families, or with any taxable organization with which any such person is affiliated as an officer, director, trustee, majority owner, or principal beneficiary:		
a Sale, exchange, or leasing of property?	2a	X
b Lending of money or other extension of credit?	2b	X
c Furnishing of goods, services, or facilities?	2c	X
d Payment of compensation (or payment or reimbursement of expenses if more than \$1,000)? SEE FORM 990, PART V	2d	X
e Transfer of any part of its income or assets? If the answer to any question is "Yes," attach a detailed statement explaining the transactions.	2e	X
3 Does the organization make grants for scholarships, fellowships, student loans, etc.?	3	X
4a Do you have a section 403(b) annuity plan for your employees?	4a	X
b Attach a statement to explain how the organization determines that individuals or organizations receiving grants or loans from it in furtherance of its charitable programs qualify to receive payments. (See page 2 of the instructions.)		

Part IV Reason for Non-Private Foundation Status (See pages 2 through 5 of the instructions.)The organization is not a private foundation because it is: (Please check only **ONE** applicable box.)

- 5** ☐ A church, convention of churches, or association of churches. Section 170(b)(1)(A)(i).
- 6** ☐ A school. Section 170(b)(1)(A)(ii). (Also complete Part V, page 5.)
- 7** ☐ A hospital or a cooperative hospital service organization. Section 170(b)(1)(A)(iii).
- 8** ☐ A Federal, state, or local government or governmental unit. Section 170(b)(1)(A)(v).
- 9** ☐ A medical research organization operated in conjunction with a hospital. Section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state
- 10** ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit. Section 170(b)(1)(A)(iv). (Also complete the **Support Schedule** in Part IV-A.)
- 11a** ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 11b** ☐ A community trust. Section 170(b)(1)(A)(vi). (Also complete the **Support Schedule** in Part IV-A.)
- 12** ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its charitable, etc., functions--subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Also complete the **Support Schedule** in Part IV-A.)
- 13** ☐ An organization that is not controlled by any disqualified persons (other than foundation managers) and supports organizations described in: (1) lines 5 through 12 above; or (2) section 501(c)(4), (5), or (6), if they meet the test of section 509(a)(2). (See section 509(a)(3).)

Provide the following information about the supported organizations. (See page 5 of the instructions.)

(a) Name(s) of supported organization(s)	(b) Line number from above

- 14** ☐ An organization organized and operated to test for public safety. Section 509(a)(4). (See page 5 of the instructions.)

Part IV-A Support Schedule (Complete only if you checked a box on line 10, 11, or 12.) Use cash method of accounting.

Note: You may use the worksheet in the instructions for converting from the accrual to the cash method of accounting.

Calendar year (or fiscal year beginning in).....	(a) 1999	(b) 1998	(c) 1997	(d) 1996	(e) Total
15 Gifts, grants, and contributions received. (Do not include unusual grants. See line 28.)	2,360,682	1,089,208	994,166	954,483	5,398,539
16 Membership fees received					
17 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is not a business unrelated to the organization's charitable, etc., purpose ..					
18 Gross income from interest, dividends, amounts received from payments on securities (section 512(a)(5)), rents, royalties, and unrelated business taxable income (less section 511 taxes) from businesses acquired by the organization after June 30, 1975	21,487	18,802	13,128	16,174	69,591
19 Net income from unrelated business activities not included in line 18					
20 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf					
21 The value of services or facilities furnished to the organization by a governmental unit without charge. Do not include the value of services or facilities generally furnished to the public without charge					
22 Other income. Attach a sch. Do not include gain or (loss) from sale of capital assets. SEE ST-8... ..	1,206	908	344	344	2,802
23 Total of lines 15 through 22	2,383,375	1,108,918	1,007,638	971,001	5,470,932
24 Line 23 minus line 17	2,383,375	1,108,918	1,007,638	971,001	5,470,932
25 Enter 1% of line 23	23,834	11,089	10,076	9,710	
26 Organizations described on lines 10 or 11: a Enter 2% of amount in column (e), line 24					109,419
b Attach a list (which is not open to public inspection) showing the name of and amount contributed by each person (other than a government unit or publicly supported organization) whose total gifts for 1996 through 1999 exceeded the amount shown in line 26a. Enter the sum of all these excess amounts					111,162
c Total support for section 509(a)(1) test: Enter line 24, column (e)					5,470,932
d Add: Amounts from column (e) for lines: 18 69,591 19					183,555
22 2,802 26b 111,162					5,287,377
e Public support (line 26c minus line 26d total)					96.64%
f Public support percentage (line 26e (numerator) divided by line 26c (denominator))					
27 Organizations described on line 12: a For amounts included in lines 15, 16, and 17 that were received from a "disqualified person," attach a list (which is not open to public inspection) to show the name of, and total amounts received in each year from, each "disqualified person." Enter the sum of such amounts for each year: N/A					
(1999) _____ (1998) _____ (1997) _____ (1996) _____					
b For any amount included in line 17 that was received from a nondisqualified person, attach a list to show the name of, and amount received for each year, that was more than the larger of (1) the amount on line 25 for the year or (2) \$5,000. (Include in the list organizations described in lines 5 through 11, as well as individuals.) After computing the difference between the amount received and the larger amount described in (1) or (2), enter the sum of all these differences (the excess amounts) for each year:					
(1999) _____ (1998) _____ (1997) _____ (1996) _____					
c Add: Amounts from column (e) for lines: 15 _____ 16 _____					
17 _____ 20 _____ 21 _____					
d Add: Line 27a total _____ and line 27b total					
e Public support (line 27c total minus line 27d total)					
f Total support for section 509(a)(2) test: Enter amount on line 23, column (e)					
g Public support percentage (line 27e (numerator) divided by line 27f (denominator))					
h Investment income percentage (line 18, column (e) (numerator) divided by line 27f (denominator)).					

28 Unusual Grants: For an organization described in line 10, 11, or 12 that received any unusual grants during 1996 through 1999, attach a list (which is not open to public inspection) for each year showing the name of the contributor, the date and amount of the grant, and a brief description of the nature of the grant. Do not include these grants in line 15. (See page 5 of the instructions.)

Part V**Private School Questionnaire** (See page 5 of the instructions.)
(To be completed ONLY by schools that checked the box on line 6 in Part IV)

N/A

	Yes	No
29 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?		
30 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?		
31 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe; if "No," please explain. (If you need more space, attach a separate statement.)		
32 Does the organization maintain the following:		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	32a	
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	32b	
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	32c	
d Copies of all material used by the organization or on its behalf to solicit contributions?	32d	
If you answered "No" to any of the above, please explain. (If you need more space, attach a separate statement.)		
33 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	33a	
b Admissions policies?	33b	
c Employment of faculty or administrative staff?	33c	
d Scholarships or other financial assistance?	33d	
e Educational policies?	33e	
f Use of facilities?	33f	
g Athletic programs?	33g	
h Other extracurricular activities?	33h	
If you answered "Yes" to any of the above, please explain. (If you need more space, attach a separate statement.)		
34a Does the organization receive any financial aid or assistance from a governmental agency?	34a	
b Has the organization's right to such aid ever been revoked or suspended?	34b	
If you answered "Yes" to either 34a or b, please explain using an attached statement.		
35 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," attach an explanation.	35	

Part VI-A**Lobbying Expenditures by Electing Public Charities** (See page 7 of the instructions.)
(To be completed **ONLY** by an eligible organization that filed Form 5768)

N/A

Check here **a** ☐ if the organization belongs to an affiliated group.
Check here **b** ☐ if you checked "a" above and "limited control" provisions apply.

Limits on Lobbying Expenditures

(The term "expenditures" means amounts paid or incurred.)

		(a) Affiliated group totals	(b) To be completed for ALL electing organizations
36	Total lobbying expenditures to influence public opinion (grassroots lobbying)	36	
37	Total lobbying expenditures to influence a legislative body (direct lobbying)	37	
38	Total lobbying expenditures (add lines 36 and 37)	38	
39	Other exempt purpose expenditures	39	
40	Total exempt purpose expenditures (add lines 38 and 39)	40	
41	Lobbying nontaxable amount. Enter the amount from the following table - <div style="display: flex; justify-content: space-between;"><div>If the amount on line 40 is - Not over \$500,000 Over \$500,000 but not over \$1,000,000 Over \$1,000,000 but not over \$1,500,000 Over \$1,500,000 but not over \$17,000,000 Over \$17,000,000</div><div>The lobbying nontaxable amount is - 20% of the amount on line 40 \$100,000 plus 15% of the excess over \$500,000 \$175,000 plus 10% of the excess over \$1,000,000 \$225,000 plus 5% of the excess over \$1,500,000 \$1,000,000</div></div>	41	
42	Grassroots nontaxable amount (enter 25% of line 41)	42	
43	Subtract line 42 from line 36. Enter -0- if line 42 is more than line 36	43	
44	Subtract line 41 from line 38. Enter -0- if line 41 is more than line 38	44	

Caution: If there is an amount on either line 43 or line 44, you must file Form 4720.

4-Year Averaging Period Under Section 501(h)

(Some organizations that made a section 501(h) election do not have to complete all of the five columns below.
See the instructions for lines 45 through 50 on page 9 of the instructions.)

Calendar year (or fiscal year beginning in) ▶	Lobbying Expenditures During 4-Year Averaging Period				
	(a) 2000	(b) 1999	(c) 1998	(d) 1997	(e) Total
45	Lobbying nontaxable amount				
46	Lobbying ceiling amount (150% of line 45(e))				
47	Total lobbying expenditures				
48	Grassroots nontaxable amount ...				
49	Grassroots ceiling amount (150% of line 48(e))				
50	Grassroots lobbying expenditures .				

Part VI-B**Lobbying Activity by Nonelecting Public Charities**

(For reporting only by organizations that did not complete Part VI-A) (See page 9 of the instructions.)

N/A

During the year, did the organization attempt to influence national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:

- a Volunteers
- b Paid staff or management (Include compensation in expenses reported on lines c through h.)
- c Media advertisements
- d Mailings to members, legislators, or the public
- e Publications, or published or broadcast statements
- f Grants to other organizations for lobbying purposes
- g Direct contact with legislators, their staffs, government officials, or a legislative body
- h Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means
- i Total lobbying expenditures (add lines c through h)

Yes	No	Amount

If "Yes" to any of the above, also attach a statement giving a detailed description of the lobbying activities.

Schedule B
(Form 990 or 990-EZ)

Schedule of Contributors

OMB No. 1545-0047

2000

Department of the Treasury
Internal Revenue Service

Supplementary information for line 1d of Form 990 or
line 1 of Form 990-EZ (see instructions)

Name of organization

Employer identification number

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Organization type (check one) - Section:

☒ 501(c)(3) ◀ (enter number);

☐ 527 or

☐ 4947(a)(1) nonexempt charitable trust

A Section 501(c)(7), (8), or (10) organizations - Check this box if the organization had no charitable contributors who contributed more than \$1,000 during the year. (But see **General rule** below.) ▶ ☐

Enter here the total gifts received during the year for a religious, charitable, etc., purpose. ▶ \$

Note: This form is generally not open to public inspection except for section 527 organizations.

KFA For Paperwork Reduction Act Notice, see page 1 of the Instructions for Form 990 and Form 990-EZ. **Schedule B (Form 990 or 990-EZ) (2000)**

Name of organization

Employer identification number

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Part I Contributors

(a) No.	(b) Name, address and zip code	(c) Aggregate contributions	(d) Type of contribution
1	CASTLE ROCK FOUNDATION	\$ 75,000	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
2	DENNIS GERBAZ	\$ 94,544	Individual <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
			Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
			Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
			Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
			Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)
			Individual <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if a noncash contribution.)

Name of organization

MOUNTAIN STATES LEGAL FOUNDATION

Employer identification number

84-0736725

Part II Noncash Property

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
—	_____ _____ _____	\$ _____	_____

KFA

Schedule B (Form 990 or 990-EZ) (2000)

Name of organization

Employer identification number

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Part III Section 501(c)(7), (8), or (10) organizations that received more than \$1,000 in charitable gifts during the year-

Enter the total gifts that were from contributors who gave \$1,000 or less during the year for a religious, charitable, etc., purpose (see instructions) ▶ \$

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e)
Transfer of gift

Transferee's name, address, and zip code	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e)
Transfer of gift

Transferee's name, address, and zip code	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e)
Transfer of gift

Transferee's name, address, and zip code	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held

(e)
Transfer of gift

Transferee's name, address, and zip code	Relationship of transferor to transferee

Form 4562

Depreciation and Amortization

(Including Information on Listed Property)

OMB No. 1545-0172

2000

Attachment
Sequence No. 67Department of the Treasury
Internal Revenue Service (99)

▶ See separate instructions.

▶ Attach this form to your return.

Name(s) shown on return

Identifying number

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

Business or activity to which this form relates

FORM 990/990-PF

Part I Election To Expense Certain Tangible Property (Section 179) Note: If you have any "listed property," complete Part V before you complete Part I.

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	\$20,000
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter amount from line 27	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1999. See page 3 of the instructions	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11.	12	
13	Carryover of disallowed deduction to 2001. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation for Assets Placed in Service Only During Your 2000 Tax Year (Do not include listed property.)**Section A - General Asset Account Election**

14	If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions	<input type="checkbox"/>
----	--	--------------------------

Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs		S/L	
			27.5 yrs	MM	S/L	
h Residential rental property			27.5 yrs	MM	S/L	
			39 yrs	MM	S/L	
i Nonresidential real property				MM	S/L	

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16a Class life					S/L	
b 12-year			12 yrs		S/L	
c 40-year			40 yrs	MM	S/L	

Part III Other Depreciation (Do not include listed property.) (See page 5 of the instructions.)

17	GDS and ADS deductions for assets placed in service in tax years beginning before 2000	17	811
18	Property subject to section 168(f)(1) election	18	
19	ACRS and other depreciation	19	10,990

Part IV Summary (See page 6 of the instructions.)

20	Listed property. Enter amount from line 26	20	
21	Total. Add deductions from line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	11,801
22	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	

2000

FEDERAL STATEMENTS

PAGE 1

CLIENT 617800

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

5/04/01

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STATEMENT 1
FORM 990, PART I, LINE 8
NET GAIN (LOSS) FROM NONINVENTORY SALES

OTHER ASSETS:

DESCRIPTION:	ABANDONMENT/SALE OF FIXED ASSETS
DATE ACQUIRED:	VARIOUS
HOW ACQUIRED:	PURCHASED
DATE SOLD:	VARIOUS
TO WHOM SOLD:	
GROSS SALES PRICE:	0
COST OR OTHER BASIS:	29,798
EXPENSES OF SALE:	0
DEPRECIATION:	23,047
GAIN (LOSS)	\$ -6,751

DESCRIPTION:	ABANDONMENT/SALE OF FIXED ASSETS
DATE ACQUIRED:	VARIOUS
HOW ACQUIRED:	PURCHASED
DATE SOLD:	VARIOUS
TO WHOM SOLD:	
GROSS SALES PRICE:	4,422
COST OR OTHER BASIS:	12,537
EXPENSES OF SALE:	0
DEPRECIATION:	2,914
GAIN (LOSS)	-5,201

GAIN (LOSS) FROM OTHER ASSETS	-11,952
-------------------------------	---------

TOTAL GAIN (LOSS)	\$ -11,952
-------------------	------------

STATEMENT 2
FORM 990, PART I, LINE 10
GROSS PROFIT (LOSS) FROM SALES OF INVENTORY

ITEMS SOLD	AMOUNT
SALES OF PUBLICATIONS	\$ 13,001
GROSS SALES	\$ 13,001
LESS RETURNS & ALLOWANCES	\$ 0
NET SALES	\$ 13,001
LESS: COST OF GOODS SOLD	\$ 9,133
GROSS PROFIT FROM SALES OF INVENTORY	\$ 3,868

2000

FEDERAL STATEMENTS

PAGE 2

CLIENT 617800

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

5/04/01

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STATEMENT 3
FORM 990, PART I, LINE 20
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

SEE STATEMENT ATTACHED	\$	485,796
UNREALIZED APPRECIATION ON ASSETS		8,186
TOTAL	\$	<u>493,982</u>

STATEMENT 4
FORM 990, PART IV, LINE 54
INVESTMENTS - SECURITIES

CORPORATE STOCKS	VALUATION METHOD	AMOUNT	TOTAL
CIT GROUP INC	MARKET VALUE	\$ 35,607	
GTE HAWAIIAN TEL INC	MARKET VALUE	36,143	
CHASE MANHATTAN CORP	MARKET VALUE	10,223	
			\$ 81,973

OTHER PUBLICLY TRADED SECURITIES	VALUATION METHOD	AMOUNT	TOTAL
INVESCO DYNAMICS FUND	MARKET VALUE	\$ 13,112	
JANUS INVT FD WORLDWIDE FUND	MARKET VALUE	20,254	
JANUS TWENTY FUND	MARKET VALUE	15,426	
JANUS VENTURE FUND	MARKET VALUE	7,510	
VANGUARD GROWTH AND INCOME FUND	MARKET VALUE	10,223	
VANGUARD INDEX TRUST 500 FUND	MARKET VALUE	9,737	
WEITZ SER FD INC VALUE PORTFOLIO	MARKET VALUE	15,658	
			\$ 91,920
	TOTAL		<u>\$ 173,893</u>

STATEMENT 5
FORM 990, PART IV, LINE 57
LAND, BUILDINGS, AND EQUIPMENT

ASSET	BASIS	ACCUM. DEPREC.	BOOK VALUE
FURNITURE AND FIXTURES	\$ 107,517	101,501	6,016
MACHINERY AND EQUIPMENT	128,022	55,210	72,812
IMPROVEMENTS	8,108	1,147	6,961
MISCELLANEOUS	32,185	32,185	0
TOTAL	<u>\$ 275,832</u>	<u>190,043</u>	<u>85,789</u>

2000

FEDERAL STATEMENTS

PAGE 3

CLIENT 617800

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

5/04/01

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STATEMENT 6
FORM 990, PART IV, LINE 58
OTHER ASSETS

	ENDING
BENEFICIAL INT IN ENDOWMENT FUND	\$ 554,462
TOTAL	<u>\$ 554,462</u>

STATEMENT 7
FORM 990, PART IV, LINE 65
OTHER LIABILITIES

	ENDING
ENDOWMENT FUND PAYABLE	\$ 13,649
PENSION PAYABLE	22,016
TOTAL	<u>\$ 35,665</u>

STATEMENT 8
SCHEDULE A, PART IV-A, LINE 22
OTHER INCOME

DESCRIPTION	(A) 1999	(B) 1998	(C) 1997	(D) 1996	(E) TOTAL
MISC.	\$ 1,206	\$ 908	\$ 344	\$ 344	\$ 2,802
TOTAL	<u>\$ 1,206</u>	<u>\$ 908</u>	<u>\$ 344</u>	<u>\$ 344</u>	<u>\$ 2,802</u>

STATEMENT 9
SCHEDULE A, PART IV-A, LINE 26B
EXCESS CONTRIBUTORS

NOT OPEN TO PUBLIC INSPECTION

CONTRIBUTOR	1999	1998	1997	1996	TOTAL
ANONYMOUS	\$ 0	\$ 0	\$ 50,000	\$ 100,000	\$ 150,000
CASTLE ROCK FOUNDAT	75,000	35,000	35,000	35,000	180,000
				TOTAL	\$ 330,000
				LINE 26A X 2	-218,838
				EXCESS CONTRIBUTIONS	<u>\$ 111,162</u>

2000

SUPPLEMENTAL INFORMATION

PAGE 1

CLIENT 617800

MOUNTAIN STATES LEGAL FOUNDATION

84-0736725

5/04/01

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FORM 990, PART I
LINE 20

OTHER CHANGES IN NET ASSETS OR FUND BALANCES

RESTATEMENT OF PRIOR YEARS' NET ASSETS DUE TO
ADOPTION OF SFAS 136

\$485,796
=====

Mountain States Legal Foundation

(a Colorado Corporation)

Denver, Colorado

Financial Statements

December 31, 2000

Mountain States Legal Foundation

Table of Contents

Independent Auditor's Report Page 1

Statement of Financial Position
December 31, 2000 Page 2

Statement of Activities
Year ended December 31, 2000 Page 3

Statement of Cash Flows
Year ended December 31, 2000..... Page 4 – 5

Notes to Financial Statements Page 6 – 8

CERTIFIED PUBLIC ACCOUNTANTS

B · R · O · C · K

AND

COMPANY

BUSINESS CONSULTANTS

A PROFESSIONAL CORPORATION

THOMAS P. BROCK, C.P.A. (1929-1998)
VANDERLYNN STOW, C.P.A.
SUSAN R. JOHNSON, C.P.A.
MARK R. KAUFMANN, C.P.A.
LEE P. ACKERMAN, C.P.A.
CORY F. DICKSON, C.P.A.

WILLIS D. WALKER, C.P.A.
RICHARD W. DETTORRE, C.P.A.
CONNIE A. FRIEHAUF, C.P.A.
KURT L. GOETSCH, C.P.A.
CRAIG J. CHANEY, C.P.A.

MEMBER:
AGN INTERNATIONAL
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

PRIVATE COMPANIES
PRACTICE SECTION OF
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

SEC SECTION OF
AMERICAN INSTITUTE
OF CERTIFIED PUBLIC
ACCOUNTANTS

www.brockcpas.com

Independent Auditor's Report

The Board of Directors
Mountain States Legal Foundation
Denver, Colorado

We have audited the accompanying statement of financial position of Mountain States Legal Foundation as of December 31, 2000, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year Summarized Comparative Information has been derived from the organization's 1999 financial statements and, in our report dated March 7, 2000, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain States Legal Foundation as of December 31, 2000, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 3 to the Financial Statements, Mountain States Legal Foundation adopted the provisions of FASB SFAS 136, "Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others", in 2000.

Brock and Company, CPAs, P.C.
Certified Public Accountants

Littleton, Colorado
March 9, 2001

WATERSTREET
2595 CANYON BLVD, SUITE 340
BOULDER, COLORADO 80302
(303) 444-2971 FAX (303) 444-0869

1375 KEN PRATT BLVD, SUITE C2
LONGMONT, COLORADO 80501
(303) 776-2160 FAX (303) 776-2431

3500 JFK PARKWAY, SUITE 320
FT. COLLINS, COLORADO 80525
(970) 223-7855 METRO: (303) 530-9343
FAX (970) 223-3926

26 WEST DRY CREEK CIRCLE, SUITE 310
LITTLETON, COLORADO 80120
(303) 794-5661 FAX (303) 794-4501

Mountain States Legal Foundation

Statement of Financial Position

December 31	2000	1999 (Comparative Totals Only)
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,041,225	\$ 539,496
Investments	173,893	-
Contributions receivable	141,925	81,732
Beneficial interest in assets held by the Denver Foundation	554,462	485,796
Interest receivable	5,762	5,295
Other receivables	-	2,174
Inventory	-	9,133
Prepaid expenses and other current assets	10,865	9,388
Total current assets	<u>1,928,132</u>	<u>1,133,014</u>
Property and Equipment		
Office equipment	128,022	130,344
Furniture and fixtures	107,517	107,517
Leasehold improvements	8,108	8,108
Professional library	32,185	32,185
Total property and equipment	<u>275,832</u>	<u>278,154</u>
Less accumulated depreciation and amortization	<u>190,043</u>	<u>204,203</u>
Net property and equipment	<u>85,789</u>	<u>73,951</u>
Total assets	<u>\$ 2,013,921</u>	<u>\$ 1,206,965</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 12,799	\$ 22,048
Pension payable	22,016	19,615
Endowment fund	13,649	10,450
Accrued expenses	2,481	2,612
Total current liabilities	<u>50,945</u>	<u>54,725</u>
Total liabilities	<u>50,945</u>	<u>54,725</u>
Net Assets		
Unrestricted	1,588,807	828,174
Temporarily restricted	-	-
Permanently restricted	374,169	324,066
Total net assets	<u>1,962,976</u>	<u>1,152,240</u>
Total liabilities and net assets	<u>\$ 2,013,921</u>	<u>\$ 1,206,965</u>

The accompanying Notes are an integral
part of this financial statement

Mountain States Legal Foundation

Statement of Activities

Years ended December 31

	Unrestricted	Temporarily Restricted	Permanently Restricted
Revenues			
Contributions	\$ 3,273,456	\$ -	\$ 50,103
Net appreciation on investments	(10,377)	-	18,563
Interest income	42,191	-	-
Loss on disposition of equipment	(11,952)	-	-
Book and tape sales - net	3,868	-	-
Other	243	-	-
Net assets released from restrictions	18,563	-	(18,563)
Total revenues	3,315,992	-	50,103
Expenses - Legal			
Salaries and benefits	542,456	-	-
Office expense	233,121	-	-
Outside professional services	32,371	-	-
Printing	24,708	-	-
Travel	3,353	-	-
Total expenses - legal	836,009	-	-
Development			
Salaries and benefits	22,316	-	-
Office expense	15,392	-	-
Travel	1,118	-	-
Total development	38,826	-	-
General and Administrative			
Salaries and benefits	70,291	-	-
Office expense	18,640	-	-
Outside professional services	10,790	-	-
Travel	559	-	-
Total general and administrative	100,280	-	-
Communication and Education			
Salaries and benefits	31,051	-	-
Office expense	100,606	-	-
Outside professional services	910,600	-	-
Travel	559	-	-
Total communication and education	1,042,816	-	-
Fundraising			
Salaries and benefits	143,251	-	-
Office expense	36,969	-	-
Outside professional services	354,122	-	-
Travel	3,086	-	-
Total fundraising	537,428	-	-
Total expenses	2,555,359	-	-
Change in Net Assets	760,633	-	50,103
Net Assets - Beginning of Year	828,174	-	324,066
Net Assets - End of Year	\$ 1,588,807	\$ -	\$ 374,169

2000	1999 (Comparative Totals Only)
\$ 3,323,559	\$ 2,416,942
8,186	69,648
42,191	21,487
(11,952)	-
3,868	6,018
243	1,206
<u>3,366,095</u>	<u>2,515,301</u>
542,456	452,862
233,121	174,728
32,371	54,188
24,708	27,443
3,353	32,739
<u>836,009</u>	<u>741,960</u>
22,316	24,596
15,392	28,327
1,118	1,181
<u>38,826</u>	<u>54,104</u>
70,291	64,160
18,640	19,263
10,790	10,208
559	591
<u>100,280</u>	<u>94,222</u>
31,051	33,678
100,606	75,811
910,600	764,614
559	591
<u>1,042,816</u>	<u>874,694</u>
143,251	143,727
36,969	30,567
354,122	430,096
3,086	-
<u>537,428</u>	<u>604,390</u>
<u>2,555,359</u>	<u>2,369,370</u>
810,736	145,931
<u>1,152,240</u>	<u>1,006,309</u>
<u>\$ 1,962,976</u>	<u>\$ 1,152,240</u>

The accompanying Notes are an integral
part of this financial statement

Mountain States Legal Foundation

Statement of Cash Flows

Years ended December 31	2000	1999 (Comparative Totals Only)
Cash Flows From Operating Activities		
Cash received from donors	\$ 3,263,366	\$ 2,367,170
Interest received	41,724	16,192
Miscellaneous cash receipts	6,285	5,738
Cash paid to suppliers and employees	(2,539,682)	(2,338,172)
Net cash provided (used) by operating activities	<u>771,693</u>	<u>50,928</u>
Cash Flows From Investing Activities		
Purchase of property	(35,591)	(13,368)
Purchase of investments	(184,270)	-
Net cash used by investing activities	<u>(219,861)</u>	<u>(13,368)</u>
Cash Flows From Financing Activities		
Contributions restricted for permanent endowment	(50,103)	(56,260)
Net cash used by financing activities	<u>(50,103)</u>	<u>(56,260)</u>
Net increase in Cash and Cash Equivalents	501,729	(18,700)
Cash and Cash Equivalents at Beginning of Year	<u>539,496</u>	<u>558,196</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,041,225</u>	<u>\$ 539,496</u>

Mountain States Legal Foundation

Statement of Cash Flows

Years ended December 31	2000	1999 (Comparative Totals Only)
Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities		
Changes in net assets	<u>\$ 810,736</u>	<u>\$ 145,931</u>
Adjustments to Reconcile Excess (Deficiency) of Revenues over Expenses to Net Cash Provided by Operating Activities		
Depreciation	11,801	15,915
Loss on disposition of equipment	11,952	-
Net appreciation on investments	(8,186)	(69,648)
(Increase) decrease in receivables	(58,486)	(56,553)
(Increase) decrease in prepaid expenses and other current assets	(1,477)	(2,443)
(Increase) decrease in inventory	9,133	4,820
Increase (decrease) in accounts payable and accrued expenses	(3,780)	12,906
Increase (decrease) in deferred contributions	-	-
Total adjustments	<u>(39,043)</u>	<u>(95,003)</u>
Net Cash Provided by Operating Activities	<u>\$ 771,693</u>	<u>\$ 50,928</u>

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2000

Note 1 – Significant Accounting Policies

Nature of Operations. Mountain States Legal Foundation (the "Foundation") is organized as a nonprofit corporation. The Foundation was created to bring litigation in the public interest in order to effect legal reform. Such litigation involves the representation of clients individually. The nature and extent of such representation varies depending upon the facts and circumstances of each case. The Foundation's Articles of Incorporation do not provide for the issuance of certificates of capital stock. Additionally, no part of the fund balance shall inure to the benefit of, or be distributable to its members, board of directors, officers or other persons. The Foundation is exempt from federal and state income taxes pursuant to the provisions of Section 501(c)(3) of the Internal Revenue Code. The Foundation is a publicly supported charity under Sections 509(a)(1) and 170(b)(1)(A)(VI) of the code, and contributions to the foundation are deductible.

Cash and Cash Equivalents. Cash and cash equivalents includes cash on hand, cash in bank, money market accounts and other short-term investments that are readily convertible to cash.

Property and Equipment. Property and equipment are stated at cost. The cost and accumulated depreciation or amortization of items sold or retired are removed from the respective accounts and the resulting gain or loss is included in revenues or expenses in the period in which the items are sold or retired. Maintenance and repairs are charged to expense as incurred. Major renewals and betterments are capitalized and depreciated over their useful lives.

Depreciation and amortization are calculated using the straight-line method over the estimated useful lives of the related assets ranging from 8 to 12 years. The initial costs of assets capitalized at the Foundation's inception, are now fully depreciated. Current additions to library are charged to expense.

In-Kind Contributions. In-kind contributions are recorded at the fair market value of the donated service.

Inventory. Inventory consisting of books and posters, is stated at the lower of average cost or market.

Functional Expenses. Certain expenses, including salaries, travel and office expenses are allocated among functional expense classifications based on management's estimates of effort expended.

Note 2 – Unrestricted Net Assets

A portion of the Foundation's funds are designated for ongoing cases in which the Foundation is currently involved. At December 31, 2000 and 1999, the Foundation has estimated future expenditures on existing cases to be approximately \$40,000 and \$27,500. The cases are classified in the following general categories:

	2000	1999
Natural resources	\$ 20,000	\$ 15,000
Constitutional	15,000	10,000
Free enterprise	5,000	2,500
	<u>\$ 40,000</u>	<u>\$ 27,500</u>

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2000

Note 3 – Beneficial Interest in Assets Held by the Denver Foundation

During 1995, an endowment fund was established through the Denver Foundation. The Mountain States Legal Foundation Endowment Fund was established in 1995 at the Denver Foundation with funds contributed by Mountain States Legal Foundation. Under the terms of the fund agreement, the Denver Foundation has variance power and is the legal owner of the fund. Mountain States Legal Foundation is the beneficiary of the fund and receives distributions of income subject to the fund's spending policy. Because the endowment fund was established with donations from the Foundation for the benefit of the Foundation, it is considered a reciprocal transfer.

On January 1, 2000, the Foundation adopted Statement of Financial Accounting Standards (SFAS) No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust That Raises or Holds Contributions for Others*. As a result, the Foundation is required to change its method of accounting for contributions received by the Denver Foundation that are specified for the Foundation. Previously, all endowment fund contributions and related activity was recorded by the Denver Foundation and not the Foundation. Under the new accounting method, reciprocal transfers are recorded by the Foundation by recognizing an asset equal to the fair market value of the endowment fund and the Denver Foundation records a liability equal to the fair market value of the endowment fund. The Foundation recorded an increase of \$359,888 in its beginning net assets at January 1, 1999, for its interest in the net assets of the Denver Foundation and now recognizes the endowment fund contribution revenue, fund earnings and changes in fund market value in the Statement of Activities. Contributions to the endowment fund are permanently restricted. At December 31, 2000, \$374,169 of the \$554,462 in assets held by the Denver Foundation are permanently restricted.

Due to the retroactive implementation of FASB SFAS 136, net assets of the Foundation increased by \$554,462 and \$485,796 as of December 31, 2000 and 1999, respectively.

Note 4 – Commitments

The Foundation leases its office facilities under a noncancellable operating lease through December 31, 2001 requiring monthly payments of \$5,712.

Total net expense for all operating leases amounted to \$68,540 and \$68,540 for the years ended December 31, 2000 and 1999, respectively.

Note 5 – Retirement Plan

Substantially all employees (with the exception of one officer who has elected out of coverage) of the Foundation are covered by a money purchase retirement plan. The method of determining monthly plan contributions is based upon 7% of eligible participant's salaries. The Foundation's contribution to the trustee fund, net of forfeitures for terminated employees, amounted to \$22,016 and \$19,615 for the years ended December 31, 2000 and 1999, respectively.

Note 6 – Contingencies

During 1987 the Foundation elected to self insure for dental and short term disability claims. The decision to drop the commercial coverage of these items resulted from excessive premiums incurred compared to the amount of claims paid out. The Foundation incurred approximately \$7,574 and \$5,239 in such claims during 2000 and 1999, respectively. Such amounts have been charged to expenses in the financial statements as incurred.

Mountain States Legal Foundation

Notes to Financial Statements

December 31, 2000

Note 7 – Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 8 – Comparative Financial Information

The financial information shown for 1999 in the accompanying financial statements is included to provide a basis for comparison with 2000 and presents summarized totals only.

Note 9 – Concentrations of Credit Risk

The Company maintains several cash balances in money market funds that are in excess of federally insured limits.

Note 10 – Allocation of Joint Costs

In 2000, the organization conducted activities that included requests for contributions, as well as program and management and general components. Those activities included direct mail campaigns. During 2000, the Foundation also engaged the services of an outside professional fundraising service. The costs of conducting those activities included a total of \$2,370,956 of joint costs, which are not specifically attributable to particular components of the activities (joint costs). These joint costs were allocated as follows:

Fundraising	\$ 537,428
Management and general	<u>1,833,528</u>
	<u>\$ 2,370,956</u>

Note 11 – Designated Funds

During 2000, it was decided by the Board of Directors to invest a portion of contributions received and designate the funds to be used for future operational expenses. The following make up these designated funds at December 31, 2000 and are recorded at fair market value:

Investments - corporate obligations and mutual funds	\$ 173,893
Money market funds	<u>330,628</u>
	<u>\$ 504,521</u>

Note that the money market accounts totaling \$330,628 are recorded in cash and cash equivalents. These funds are restricted designations imposed internally and are recorded as unrestricted assets.